

Connecticut Industry

The Germ Of The Disease

With a desire to assure solidarity behind a dynamic recovery movement, Congress and President Roosevelt compromised the Black 30-Hour issue by passage of the National Industrial Recovery Act. Its sponsors conceived it as an ideal plan to re-energize industry through lifting the anti-trust ban, and to aid labor through shortened hours, increased pay and enlarged employment.

Before the complex administrative machinery could be set in motion, the so-called "blanket code" was interjected to bridge over a national economic emergency. Although designed as a safeguard to protect labor against the sweatshop and the wholly selfish employer, Paragraph 7 of this code, providing for "no reduction in hourly rates" and "equitable readjustment of wages", has cultivated a germ of self-interest which now threatens to bring on a national epidemic of strikes, most of them unwarranted. Despite the fact that NRA has recently interpreted that an employer, having raised hourly rates of pay to a "reasonable" extent, may shorten working hours without being required in all cases to pay the same total weekly compensation for the shorter week, his motives are nevertheless impugned and his actions pilloried in the public eye; this, notwithstanding that he merely seeks to conserve according to the "rules of the game" the assets which make continuous employment possible. Complete explanation of the NRA interpretation on "equitable adjustment" of wages appears on page 2 of this issue.

Those who have it in their power to curb the strikes and walkouts, arising from misunderstanding, but who choose instead to foster them, have a grave responsibility for bringing hardship and misery upon millions of workers, and for blocking the nation's recovery program for many months, and perhaps years to come.

E. KENT HUBBARD

October, 1933

Industrial Planning and Asset
Valuation

By Lyle H. Olson

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PRA Does Not Require Same
Wage For Short Work Week

T. A. D. JONES & CO., INC., OFFERS A NEW SERVICE TO INDUSTRY ➤

INDUSTRIAL FUEL OIL is a term now used frequently. There is much discussion as to its merit and application. T. A. D. Jones & Company, Inc., realize that industry is primarily interested in the efficiency of its fuel rather than its form. Therefore, in order to continue its enviable position as an authority on the questions of industrial fuel, the Company has gone into the matter of Industrial Fuel Oil thoroughly.

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T. A. D. JONES & CO., INC. - 205 CHURCH ST., NEW HAVEN

Connecticut Industry

for October, 1933

Volume 11

L. M. Bingham, Editor

Number 10

Manufacturers' Association of Connecticut, Inc.

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NRA Notes

During September members of the Association have been advised of hearing dates, location, and administration of their industry codes in Washington as follows: Crown Mfg. Industry, 9/15, P. C. Kemp; Cap and Closure Industry, 9/15; Asphalt Shingle & Roofing Industry, 9/21, Malcolm Muir; Saddlery Mfg. Industry, 9/19, C. C. Williams; Men's Neckwear Industry, 9/14, Lindsay Rogers; Paperboard Mfg. Industry, 9/14, W. W. Pickard; Valve & Fittings Mfg. Industry, 9/18, M. Muir; Gas Cock Industry, 9/18, M. Muir; National Limestone Industry, 9/19, M. Muir; Marking Devices Industry, 9/14, R. B. Paddock; Motion Picture and Theatre Supply and Equipment Dealers, originally 9/25 but postponed to 10/3, Sol A. Rosenblatt; Commercial Printing, Publishing-Printing & Printing Industry (Incl. Graphic Arts), 9/18; Office Equipment Manufacturers, Business Furniture, Storage Equipment and Supply, 9/21, Philip C. Kemp; Periodical Publishing Industry, 9/21, Lindsay Rogers; Soap and Glycerine Mfg. Industry, 9/28, C. C. Williams; Can Manufacturers Industry, 9/20, H. O. King; Viscose Extrusion Industry (Rayon

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Please turn to page 11

PRA Does Not Require Same Wage For Short Work Week

An impression has prevailed in the street that employers signing the President's Reemployment Agreement are bound to pay the same wage for the shortened week as they had previously paid on their normal operating schedule, regardless of circumstances. Factory workers receiving something less in their weekly pay envelopes have harbored the notion that their employers were violating the agreement.

This is not true in all cases, as a careful reading of the official interpretations from Washington will show.

The Recovery Administration in Washington seemed loathe to settle the doubt once and for all. Nevertheless, in official interpretations they seemed to make it clear that if an employer made an "equitable adjustment" in his higher wage brackets, he was to be the sole judge of the reasonableness of that adjustment, pending intervention of the NRA.

Despite these rulings, the erroneous impression has persisted. Realizing that these false impressions would continue to threaten industrial peace, President Hubbard prevailed upon the Connecticut State Recovery Board, of which he is a member, to seek definite rulings on several sets of facts.

After much importuning, Washington has passed on these facts. While not entirely free from ambiguity, these rulings seem to establish by all reasonable standards of interpretation that (1) *paragraph 7 of the PRA does not require factory workers to be paid the same wage for the shortened week; and (2) the employer who has raised the lower wage groups up to the minimum has satisfied his agreement under the PRA in regard to those groups and need not make any further "equitable adjustment"*.

These rulings are highly significant—the second perhaps more so than the first. It clearly establishes that Paragraph 7 of the President's Reemployment Agreement applies only to workers who had hitherto been receiving wages higher than the minimum prescribed in the President's Agreement. *It does not apply to workers whose wages have been less than the minimum.* In these latter cases, the employer satisfies his obligations under the PRA when he raises wages to the minimum level prescribed in Paragraph 5 or 6. That is, he must raise factory workers either to 40¢ per hour or to the rate that the same job was paying on

July 15, 1929. In any event, he must raise them at least to 30¢ an hour, even though the 1929 rate was below that. When he has done this, he has satisfied his obligation in regard to the below-minimum workers, and is under no compulsion to make a further "equitable adjustment" in this group.

Therefore, if a factory worker or artisan had hitherto been receiving 27¢ per hour, and is raised to 30¢ per hour, he is getting all that the President's Agreement contemplated—provided, of course, that the same job was not paying more than 30¢ in 1929. The fact that his weekly work hours are reduced from 50 to 40 does not entitle him to 50 hours pay for 40 hours work.

For factory workers and artisans who have hitherto been receiving an hourly wage above that prescribed in the PRA, Paragraph 7 puts two obligations on the employer—(a) he must not reduce the hourly wage rate, and (b) he must raise all such wages by an "equitable readjustment".

The official interpretation No. 1 said: "No hard and fast rules can be laid down for such readjustments". The Administration cited two examples to give some indication of what they mean. In one they pointed out that an employe who had hitherto worked on a 40-hour schedule and was then reduced to 35 hours should have his hourly wage increased so that he would get the same pay for a 35-hour week as he had hitherto received for a 40-hour week. The other example which they cited is that of an employe hitherto working 60 hours who is then put on a 35-hour schedule. In such a case they point out that it would be an "inequitable burden on the employer" to require the same wages for a 35-hour week as for a 60.

Washington did not presume to tell us at first what would happen to workers who fall between these two classes. Now, with these rulings, they have settled cases which fall between these two extremes.

Therefore, any impression which prevails that the PRA requires the same wage for the shortened week is subject to many qualifications and each case must be treated on its merits. This interpretation is no longer merely a conjecture but comes from headquarters. A copy of the questions which were sent to Washington, and the replies thereto, are on file at the office of Chairman Edward G. Dolan of the Connecticut State Recovery Board in Hartford.

Industrial Planning And Asset Valuation

By

LYLE H. OLSON



WHEN we consider industrial planning, budgeting, and standard costs, what must we first consider? I maintain that the first consideration is the plant facilities constituting the fixed assets. The plant is a very definite fixed reality—it governs the type of product, and limits the capacity of production and the volume of business. The fixed assets represent, ordinarily, the largest amount on the balance sheet, and usually more than half of the total assets. They represent the most stable and satisfactory units from which to measure the other accounts on the balance sheet and in the operating statement, the fluctuations in relationships, and the progressive history of the business.

Taking a few of the largest of our representative industries, we find a normal relationship as between the fixed assets and the other accounts to be approximately as follows:

	U. S. Steel	U. S. Rubber	Gen. Motors	Gen. Electric
Fixed Assets in Millions	\$2000	\$130	\$600	\$200
Fixed Assets to Total Assets	70%	60%	50%	35%
Ratio to Fixed Assets				
Annual Sales	50%	115%	160%	180%
Inventories	15%	30%	20%	35%
Current Assets	29%	60%	60%	130%
Working Capital	23%	50%	45%	100%
Net Worth	23%	65%	130%	180%

A study of these relationships, and a comparison over a period of years of the same business and industry, and, as between one business and one industry with another, will reveal some very significant figures. Here I only treat the subject by suggestion to give emphasis to my point as to the importance of the fixed

assets accounts as statements of fact, and for statistical and analytical purposes.

Not only do the fixed assets ordinarily represent the largest asset accounts, and more than half of the total assets, but the most stable relationship to the long term capacities of the business.

All other accounts on the balance sheet and in the operating statements have a greater variability in accordance with the managerial discretion, financial policies, ratio of operation, style changes and market conditions. Their changing relationship to the fixed assets account is the best measure of these variables.

The accounting for fixed assets has unfortunately been done on a basis that minimizes the value of these accounts for practical and statistical purposes. The majority of the accounts are carried on the basis of the original costs as modified by variable accounting practices. In many cases, therefore, the accounts have little direct relationship with the utility of the actual properties used and useful to the business. The fixed asset account may have little significance as to the net worth of the business.

If the accounts are built up over a period of years they may be on a variable basis of cost about as follows: 1890, 75; 1913, 100; 1920, 250; 1929, 200; 1932, 150.

Inasmuch as the decade from 1919 to 1929 was a period of great expansion and many plant accounts were restated on the basis of appraised values during this period, a large percentage of the fixed asset accounts are over-stated in comparison with present market values. The present over-statement of the plant

accounts results not only from price changes, but also from over-capacity and obsolescence, not reflected in the accounts or in the depreciation reserves.

In referring to excess capacity, I am not doing so in the economic sense of a capacity in excess to the potential consumer's demand, but rather in the restricted sense of maladjustment of individual plant capacity to the sales volume. Excess capacity may result from the overbuilt plant, or from a change in the market demand for the product or from unbalanced departments and equipment due to changes in manufacturing operations.

It requires a specific study of the property units in relation to the detailed capacities and production requirements of production centers in order to determine accurately the excess facilities in relation to the production requirements.

In making this study, adequate consideration should be given to anticipated production requirements, special equipment required for exceptional and emergency operations, the economical floor areas, and the commercial sizes of equipment best adapted to meet the production demands.

Much of the assumed excess capacity is the result of obsolescence; frequently this has not been written from the accounts. Obsolescence has been growing in appreciation and in significance to the popular mind; it is quite generally considered as new phenomena re-

sulting from our more recent technological progress. Obsolescence, however, has been with us ever since the machine age began.

It was more than a century ago that the advent of machinery "robbed the sailing vessel of her honor," and the appearance of the "velocipede in New York streets resulted in the rumor that the price of horses had fallen 40% on account of the sudden appearance of these 'new fangled animals'."

Charles M. Schwab in opening the American Iron and Steel Institute recently said that, "If all the obsolete or semi-obsolete plant equipment were eliminated, that would go far toward strengthening our whole situation. If it were possible to appraise fully the struggle to justify obsolete plants, we would find that much of the uneconomic disturbance in American manufacturing today is due to the attempt to make 'dead horses pay'."

"It takes courage to scrap a huge investment. We need not feel, however, that in so doing we are admitting a mistake in the past. We are in fact recognizing that conditions have changed and that we are reconstructing our set up in line with modern demands."

Obsolescence is one of the important factors that must be taken into consideration by management in making an investment and recovering that investment in the cost of production.

Effect on Profit and Loss of Variations in Accounting for Maintenance and Depreciation

	No. 1 Tendency to Over-Capitalize Property	No. 2 Correct Statement	No. 3 So-Called "Conservative" Statement
Shares of Common Stock	200,000	200,000	200,000
Plant Property			
Beginning of year	\$5,000,000	\$5,000,000	\$5,000,000
Additions during year	650,000	550,000	450,000
Year's Sales	8,000,000	8,000,000	8,000,000
Cost of Sales (Exclusive of Renewals & Depreciation)	6,300,000	6,300,000	6,300,000
	\$1,700,000	\$1,700,000	\$1,700,000
Plant Renewals	\$300,000	\$400,000	\$500,000
Depreciation Charges	(4%) 213,000	(6%) 316,500	(8%) 418,000
Net Operating Income	\$1,187,000	\$983,500	\$782,000
Interest and Income Taxes	360,000	335,000	310,000
Net Profit Available for Dividends and Surplus	\$827,000	\$648,500	\$472,000
Earnings per Share	\$4.13	\$3.24	\$2.36

In the preceding table the annual sales are \$.50 to \$1.80 for each \$1.00 of plant investment. The annual sales tend to range from \$1.00 to \$3.00 per each \$1.00 of plant account.

The fixed charges resulting from the ownership and operation of plant properties, including depreciation, maintenance, insurance, taxes, heat and light, may run 20% of the investment, and, if you include interest charges or a fair return on the investment, this will run up to 25%. Thus, to justify the plant investment, you require a return of from 8% to 25% more or less of the gross sales.

The accounting for the betterments, renewals, maintenance and depreciation is so subject to managerial discretion and accounting eccentricities as to constitute a major variable in the profit and loss statements. A simple and reasonable example is shown in the following illustration:

There has been a very decided movement during the past year to restate the plant accounts on the basis of current market conditions, the utility of the properties, and the estimated prospective production requirements.

Financial reports have stated the results and explained the reasons. A great deal has been said and written on the subject of "writing down" the plant accounts.

It largely revolves around the question as to whether the accounts and financial statements should reflect the actual facts in reference to property utility and values. The facts are not altered by the decision of management as to whether or not the facts shall be stated in the accounts.

I have no argument against the sacredness of historical costs. They have a sentimental, practical, and necessary utility. I want to give emphasis to the economic phases of the subject *what are the facts* in reference to *real costs*—and what is *expedient and equitable* as between *producer* and *consumer*?

Actual operating costs, regardless of what cost records and the accounts may state, really include only the actual loss in the value of the properties used up or consumed in the production of the product. That is all of the plant loss that the producer is justified in charging the consumer, and that loss is all that the consumer can be expected to pay. The consumer can not be expected to pay fixed charges on plants in excess of what would be required to produce his products in accordance with the market conditions at the time of purchase.

The service value of a machine that cost \$10,000.00 in 1928 is no greater than the service value of a similar machine that cost \$7,500.00 in 1933. If there is

a loss on plant properties that loss is a reality whether or not it is reflected in the accounts.

As a foundation for the study of any of the problems previously referred to there should be detailed property records.

Most of the satisfactory plant accounting records are established on the basis of an appraisal based upon personal inspection and detailed inventory of the building construction, building fixtures, power equipment, production machines, general operating equipment, special tools, patterns, and drawings, administration furniture and fixtures, and transportation equipment.

The description should contain location, shop number, serial number, type, size, correct technical characteristics of each unit with its special attachments and fittings. The costs should be shown separately for the original unit, attachments, freight, and installation.

The accrued depreciation and the estimated remaining serviceable life should be determined on the basis of the personal inspection, and a study of the history, use, and prospective requirements of the property unit.

I am not going to attempt here to describe or discuss the various forms of appraisal reports, plant ledgers, card systems, departmental divisions, production centers, or other forms of property records.

The practical value and benefits of adequate detailed property records is being increasingly recognized. Some of the largest corporations maintain the most detailed property records.

No property record will maintain itself. Properties are going through a continuous process of changes through additions, removals, renewals, reconstruction, deterioration, and obsolescence.

In order to have any adequate control of property dollars, it is necessary to check the dollars currently expended and the dollars invested, against a personal inspection of the current changes in the properties. The property units can be repriced and redepreciated as required, in detail or in totals, by accounting or insurable totals.

What is desirable is a complete detailed accurate property record maintained as a perpetual plant inventory, not a one purpose but an all purpose appraisal,—one foundation that can be adapted and applied for all purposes.

What is required is basic property facts. From these basic facts, original costs, average and normal costs, replacement costs, values depreciations, etc., can be determined for specific purposes and for particular requirements. Property and business values, cost of pro-

Please turn to page 11

Hartford County Payrolls Materially Increased

Employment and payroll figures recently released by the Manufacturers Association of Hartford County show that 3,046 additional hands were hired during August by the factories in Hartford, New Britain, Bristol and Southington reporting to the Association, and that payrolls increased during the same month approximately \$100,000 a week.

Since May 1 the total increase in employment in the same factories was 7,271, which now makes employment on a par with what it was on January 1, 1932. Also, the gain in employment during August was roughly 20% over the number employed September 1, 1932, and the increase in man hours during this year represented 90%.

Death of Postage Meter Inventor

Arthur H. Pitney, 61, inventor of meter devices for printing postage, and engineer and director of the Pitney Bowes Company of Stamford for five years until his retirement in 1924, died on September 19. With Walter H. Bowes, president of the company, Mr. Pitney obtained approval of the post office department for the use of postage meters.

Connecticut Leads New England in August Employment

Connecticut, with a 10% growth in employment during August, showed the greatest increase of any of the New England states which as a whole showed 6.6% increase for that month.

Russell Receivership Continues

The Russell Manufacturing Company receivership was granted a continuance for six months by Judge Alfred C. Baldwin in Superior Court on September 15. T. M. Russell and Daniel R. Weedon, who were appointed as receivers a year ago, were continued in office. Present assets of the company approximate \$4,000,000 with liabilities of \$650,000, it was reported, and indications point to a further increase in the company's business which has been improving for some time past.

John Goss Deplores Credit Abuses

Before a meeting recently sponsored by the Waterbury Association of Credit Men on September 11,

John H. Goss, vice-president of the Scovill Manufacturing Company and state chairman coordinating NRA, told credit men at a recent meeting in Waterbury that the abuse of credit extension was the major cause of the depression. He offered the suggestion that some central agency, preferably one created especially for the purpose, be organized by the merchants to give serious consideration to this and other problems of trade. Also, Mr. Goss advocated placing credit control in the codes of fair practice so that business men, especially retailers, would know how much credit they were extending for \$1,000 gross business.

Ponemah Mill Workers Return to Jobs

Approximately 1700 employees of the Ponemah Mills in Taftville, Connecticut, were said to have returned to their jobs on September 8, after a strike which lasted two weeks. This action came about as the result of an agreement reached the day before at the offices of the Connecticut Recovery Board in Hartford.

Connecticut Labor Federation Changes Constitution

At a meeting held in New Haven on September 6, the Connecticut Federation of Labor modified its constitution increasing the number of vice-presidents from five to seven in order to give wider representation to all sections of the state and to aid in what was expected to develop into a widespread organization of all sections of Connecticut. Arthur Wallace of Greenwich was re-nominated for president of the Federation while John J. Egan was again named as secretary. Other nominees, whose election seem assured were: Daniel Gorman of Danbury; William Steinmiller of Hartford; John W. Murphy, mayor of New Haven; James Donahue of Waterbury; Thomas J. Shay of Middletown and Carl Sickles of Meriden.

Farrel Foundry Adds New Men

Numerous employees were taken from the Mutual Aid lists and put to work by the Waterbury Farrel Foundry Company during September in order that work might be spread to the greatest possible degree, despite the fact that orders received during July and August were filled practically entirely from stock.

New England Man Heads Wool Association

Arthur Besse, former president of the Besse dry goods chain in New England, was selected on September 7, as president of the National Association of Wool Manufacturers to succeed F. W. Hobbs, retiring president. Mr. Besse was said to have been chosen by unanimous vote of a committee composed of Mr. Hobbs, Allen R. Mitchell, Jr., Richard Kennihan, L. J. Nash and Louis A. Hurd, members of the board.

Mr. Besse, a graduate of Harvard in 1909, entered the dry goods business shortly after his graduation and later became a partner in Hale Waters, a banking firm in New York. His home is in Scarsdale, N. Y., but he is a native of Springfield, Massachusetts.

Japanese Visit Cheney Brothers

Seven members of the Japanese Silk Mission were recent guests of the Cheney Brothers silk plant of Manchester, Connecticut. Included in the party were two members of the Japanese Parliament. Colonel William C. Cheney, who headed the United States Silk Commission tour of Japanese factories in 1928, was host to the party who inspected the Cheney plant, paying particular attention to new machine developments.

Arrow-Hart & Hegeman Electric Company Appeals Federal Order

Contending the action of the Federal Trade Commission ordering the dissolution of the company into its two original units would obstruct the campaign of the federal government to relieve unemployment, the Arrow-Hart & Hegeman Electric Company, of Hartford, has recently appealed to the Supreme Court. The company was formed by the consolidation of the Arrow Electric Company and the Hart & Hegeman Manufacturing Company with a view of achieving manufacturing economies and improvement.

The case is the first to reach the highest court to test out how far it will go in waiving the Clayton Act by sanctioning consolidations of concerns prohibited by that law. The second circuit court of appeals

has recently sustained the finding of the commission that the consolidation was illegal under the Clayton Act.

New Departure Manufacturing Company Resumes Savings Plan

The New Departure Manufacturing Company announced recently the resumption of the General Motors Investment and Savings Plan which was discontinued over a year ago, and the inauguration of the New Departure Employees' Mutual Aid Association. The association, it is understood, will be entirely managed by employees but will be aided financially by the Company which will pay into the association an amount equal to that of the dues of the members of the association.

The entire income of the association from dues, together with one-half of the profits of the candy and lunch counters, will be devoted to welfare, the balance being turned over to the social fund.

The savings plan will apply to all employees receiving annually \$4500 or less and who have been with the company at least three months. Any employee may pay into the savings fund 10% of his wages, but not more than \$300 in any one year, while the corporation will contribute 25¢ for each dollar paid in by the employee. Interest on savings is to be 5% per year, credited monthly and compounded annually.

New Company to Start Manufacture in Putnam

A new company (name not yet disclosed) from Central Falls, Rhode Island, headed by R. H. Hurlburt, has recently leased the entire street floor of the old Manhasset Mills No. 4 in Putnam, Connecticut, where it will soon start the manufacture of pile fabrics with an equipment of 24 looms.

Zapon Company Combines Business with Chicago Concern

The Zapon company of Stamford, Connecticut, a subsidiary of Atlas Powder Company, combined its

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western business as of September 1 with that of the Brevolite Lacquer Company of Chicago. The consolidation is known as The Zapon-Brevolite Lacquer Company and a new corporation of that name has been formed under the laws of the state of Illinois. The eastern business will be conducted as before by the Zapon Company from its Stamford plant and from its offices in New York and Detroit.

Gilbert Clock Shows Profit

The William L. Gilbert Clock Company, Winsted, Connecticut, showed a small profit for the four week period ending August 12 in spite of a 10% wage increase and the employment of additional help.

Scovill Company Declares Dividend

Directors of the Scovill Manufacturing Company, Waterbury, declared a dividend of 25¢ a share on August 24, payable October 2. This is the same dividend which has been voted at the last several board meetings.

Former Stanley Rule & Level Superintendent Dies.

Henry Stanley Walter, 84, of 24 Lexington Street, New Britain, former superintendent and director of the Stanley Rule & Level Company, died at his home Wednesday morning, September 13, after suffering a cerebral hemorrhage on Tuesday.

Mr. Walter entered the employ of the Stanley Rule & Level Company in 1865 immediately after his graduation from the New Britain High school. He later became superintendent of the plant and a director as well as serving as treasurer for some time. He had retired in 1931 after more than 65 years of service.

Royal Typewriter Reports Record Month

The Royal Typewriter Company of Hartford which is now operating under the NRA Office Equipment Manufacturers code, speeded up operations practically to capacity production, employing 2300 men during the month of August and early part of September.

According to the same report, a very pronounced increase in business was noted in August with many unfilled orders on the books.

Connecticut Fourth in U. S. in Employment Gains

According to a recent report of Secretary of Labor Perkins, Connecticut ranked fourth highest in employment gain among the states of the country during the month of August. Connecticut figures are for 1,080 establishments representing all industrial groups except building construction. The number of persons on Connecticut industrial payrolls during August was 161,750 which was 10% more than the month previous.

Thompsonville Welcomes New Workers

About 150 former residents of Clinton, Massachusetts, who moved to Thompsonville recently to work in the mills of the Bigelow-Sanford Carpet Company, were the guests of the Thompsonville Rotary Club at a "get together" party on the grounds of the Enfield Inn on August 30.

Death of Howard Kelsey Rose

Howard Kelsey Rose, long associated with Comstock, Cheney & Company of Ivoryton, Connecticut, died Wednesday night September 13 at the Hartford Hospital and was buried in Centerbrook Cemetery.

Mr. Rose was born in Ivoryton, April 14, 1872, the son of the late Charles H. and Eliza (Richmond) Rose. He entered the employ of Comstock, Cheney & Company as a bookkeeper on July 1, 1890, and shortly after the death of his father, one of the four original members of the firm, became superintendent of the ivory department succeeding his father. He was later elected a director.

He leaves his wife, a son, Lewis, and a sister, Mrs. Frances Rose Wells of Hartford.

Large Increase in Meriden Employment

A report made on September 18 by a committee of canvassers disclosed that Meriden's industrial, trade



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and mercantile establishments had employed 1,042 persons since the NRA blanket code went into effect. The report covered 56 out of 78 industries, 306 of approximately 600 mercantile houses and all local building concerns.

Electroplaters Form Institute

Fifty master electroplaters of Massachusetts and Connecticut met at the University Club, Hartford, Connecticut, Friday night September 8 and organized the New England Master Electro-Platers Institute, the purpose of which is to provide the means whereby the industry in New England may have a voice in procedures under the National Recovery Act.

The association passed a motion objecting to a section of the code submitted for the industry by the American Platers Institute of America, which section gave powers to the board of governors of the national institute to set minimum wages for skilled labor.

Under the present territorial set-up, Connecticut will fall into two divisions, one to be composed of Torrington, Waterbury, Derby, Bridgeport, New Haven, Norwalk and Stamford; the other section to include Hartford, Meriden, Bristol, Plainville and New Britain.

Paul Wilson, of Worcester, was elected president; Benjamin Josephs, of Worcester, secretary; and Frank Shane, of Hartford, treasurer.

Willimantic Silk Strike Settled

More than 900 silk mill workers in Willimantic, Connecticut, on strike for nine weeks, were ordered on September 14 by officials of the United Textile Workers' Union to return to work. This order came about immediately after a settlement of differences was reached at conciliation hearings held by Miss Anna Weinstock of the United States Department of Labor.

The workers had demanded \$1.85 for each 100,000 picks of work, but it is understood that the settlement reached calls for a scale approximating \$1.90, which is an advance of 70¢ over the former wage scale.

AMERICAN MUTUAL DECLARES DIVIDEND. A dividend of 20%, payable on all policies expiring in October, has been declared by the American Mutual Liability Insurance Company. This is the American Mutual's 542nd consecutive dividend.

Textile Fraud Fund Assured

Continuation of the textile fraud fund, which is devoted to the investigation and prosecution of commercial fraud in the textile industry, is assured for the coming year because of subscriptions already contributed by members of the New York City credit group of the textile industry, affiliated with the Silk Association, together with a few other textile firms. This fund, which has been in existence for about nine years, will be administered by the Fraud Prevention Bureau of the National Association of Credit Men, under the supervision of the subscribers.

This bureau aims to reduce dishonest bankruptcies, the issuing of false financial statements, the concealment of assets and other fraudulent practices.

Connecticut firms known to be contributors are Belding-Heminway-Corticelli Company of Putnam and the Sidney Blumenthal Company, Inc., of Shelton.

C. O. Jelliff Mfg. Corporation Buys Assets of Alloy Products Company

The C. O. Jelliff Mfg. Corporation, makers of wire cloth, of Southport, Connecticut, has recently acquired the assets of the Alloy Products Company, formerly of Irvington, New Jersey, and has moved the equipment of that plant to Southport. The company has also purchased other additional equipment which now permits it to draw wire from the rod to the very finest sizes.

Mr. Kavanaugh, formerly proprietor of the Alloy Products Company, and previously connected with the Standard Alloys Company, is now giving full time to the newly formed wire division which will produce practically all the wire for the Jelliff Mfg. Corporation's purpose.

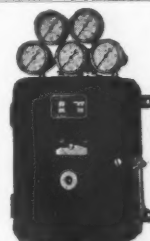


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Mac's Philosophy

THE old saying, "the goose hangs high", doesn't mean all's well this year. If prices soar higher than buying power it's as simple as shootin' tame rabbits that business will drop in volume.



INDUSTRIAL PLANNING

Continued from page 5

duction, fair prices, accurate profit and loss statements, and taxable income, are to a very large extent founded on property facts.

Industrial planning, business budgeting, values for security issues, value of capital stock, normal and actual production costs, uniform cost accounting, and determination of taxable profits are forced upon our further consideration by these legislative enactments. These laws, however, are but the crystallization of the thoughts that have been given to these matters as a result of increasing demands for industrial stabilization and for reliable and published facts upon which business transactions are based, and upon which investors and consumers may rely.

Now, there are those who are fearful of the results of this great experiment, and Dr. Benjamin M. Anderson, Jr., economist of the Chase National Bank, has expressed these views in the following paragraphs:

"One of the most dangerous of the proposals of the new economics is the so-called planned economy. If a government or a collective system undertakes to regulate the business of the country as a whole and to guide and control production, there is required a *central brain* of such vast power that no human being who has yet lived or can be expected to live can sup-

ply it.

"I am particularly apprehensive regarding the proposal to allow *trade associations* on a great scale to get together, with the Sherman law waived, to raise prices and limit output. They will simply strangle one another. There will be less men at work, and increased buying power simply will not materialize."

Upon controllers, more than any other class of business executive, the responsibility is placed for the organization of business on the basis of cooperative planning and the adequate presentation of property and financial facts in operating, accounting, and financial statements. They have recognized their responsibilities under the regulations of the Stock Exchange and under the Federal Securities Law, and they have an equal and possibly greater responsibility and opportunity for serving the public under the provisions of the National Industrial Recovery Bill.

It is, therefore, incumbent on controllers to help in the accomplishment of the impossible, to exert constructive thinking and their great influence through their business corporations and trade organizations to make of this great experiment in the self government of business a notable and outstanding contribution to our general economic welfare.

NRA NOTES

Continued from page 1

Industry, 10/2, H. O. King; Novelty Curtain, Draperies, Bedspreads & Novelty Pillow Industry, 10/2, A. D. Whiteside; Set-up Paper Box Industry, 10/3, W. W. Pickard; Stationery, Tablet and School Paper Mfg. Industry, 10/5, W. W. Pickard; Paper Making Machine Builders' Industry, 10/12, M. Muir; Machine Tool Industry, 10/2, M. Muir; Concrete Masonry Industry, 10/5, M. Muir; Automotive Parts and Equipment Mfg. Industry, 10/3, R. W. Lea.

GENERAL DEVELOPMENT. The action on the NRA stage shifted during September from the mobilization of public opinion behind the thousands of concerns who signed up either blanket or modified NRA consent agreements to the work of grooming industrial codes for each industry. This activity has been particularly intense and is doubtless largely due to the deadline of October 1 after which the NRA has stated that no substitution for PRA (known as NRA Consent Agreements) will be permitted. Local compli-

ance boards are in process of being set up in towns and cities throughout the nation and are expected eventually to total 5,000 or more. These boards will be expected to iron out all sorts of difficulties—labor strikes, kicks against industry for not complying with phases of NRA agreement, etc. It is believed that these compliance boards may be appointed eventually to administer codes. Although General Johnson has been giving serious consideration to plans for administering the permanent industrial codes, they have not as yet been publicly announced.

The question, "Is NIRA a Success?" may be answered "yes" and "no" depending upon the viewpoint. To date it has failed to put five to six million men back on jobs as advertised, but it has crystallized through its publicity campaign of newspaper articles, parades, etc. public opinion behind a national peace time economic revolution. The public works program has not given a fraction of the employment expected of it but, accord-

Please turn to page 16

Departmental News

Accounting Hints for Management

Contributed by Hartford Chapter N. A. C. A.

ADEQUATE COST SYSTEM INVOLVES EXPENSE. While it may be true in many instances that "half-a-loaf is better than none" this motto of compromise cannot be endorsed when applied to cost accounting systems. Another pertinent axiom comes to mind which appears to be much more applicable: "A little knowledge is a dangerous thing". Experience tends to prove that it is better not to be guided by any cost system which savored of "half-loaf" or "half-baked" proportions.

Many industrial concerns which heretofore have had incomplete cost systems—or none whatsoever—have come to the realization of their shortcomings and are now hastening to develop and install suitable systems. It is only in rare instances that none of the fundamentals for cost determination are in evidence. The necessity for adequate payroll records has furnished the nucleus for labor and production information; various influences have led to the adoption of expedients for ascertaining material costs. The shortcoming has frequently been that this information has been assembled only in memorandum form and has not been correlated with the general books of account. This available data could readily be put to greater use, through suitable tie-ins and coordination, supplemented by suitable routing and compilation of overhead data, thus evolving a reasonably complete system.

Realizing that information and reports on cost of production and operation will eventually become compulsory under the administration and enforcement of codes, there is now a marked trend toward setting up, or reestablishing cost records and systems. But there is a strong reluctance about assuming the expense which this necessarily involves. Commendable as the economy urge may be, it can hardly be expected that satisfactory progress can be made in this direction without incurring some additional expense. Such expenditures have not been viewed in proper perspective; instead of regarding them as expenses, they might properly be regarded in the nature of intangible investments.

There have been occasional unfortunate instances in the past when Cost Systems have been too elaborate, too pretentious or too cumbersome. Such have met their inevitable fate. On the other hand there are thousands of satisfactory and efficient installations

functioning without any hitch. It should be apparent that the type of cost system must be determined by the type of plant and business. Some plans involve more work and detail than others—particularly those for jobbing plants.

OCTOBER COST MEETING IN WATERBURY. The next meeting of Hartford Chapter, N. A. C. A., will be held at the Hotel Elton, Waterbury, Tuesday, October 17. William F. Burke, chief accountant of Scovill Manufacturing Company will speak on "Standard and Actual Cost Systems and Their Application". The Chapter will also hold a plant visitation at the Royal Typewriter Company on Tuesday, October 31.

Transportation

NEW HAVEN CHANGES TRAIN SCHEDULES. Sixteen through trains between New York and Boston were speeded up from five to twenty-five minutes each, for an aggregate time-saving of three hours and five minutes, when the New Haven Railroad's new fall schedule went into effect Sunday morning, September 24, the closing of the daylight saving period. All present New York-Boston through trains, in each direction, via the Shore-Line are on schedules of 5 hours and fifteen minutes with the exception of the Yankee Clipper and the Merchants Limited which are continued on their four hour and forty-five minute schedule.

Practically all New Haven train schedules were changed one hour on September 24, to conform to the discontinuance of daylight saving time, with the exception of some through connections with the Pennsylvania Railroad which had not previously been adjusted to daylight saving time. Because of a number of other adjustments in schedules, railroad officials suggest that travelers secure copies of the new time tables in order to avoid confusion.

PUBLICATION OF COMMODITY RATES ON DIFFERENTIAL BASIS VIA CANADIAN LINES. Within the past few months certain trunk line carriers have objected to the continuance of the practice of the railroads in publishing rates in connection with Canadian routes from states in New England to destinations in Central Territory on a differential basis under the rates applicable via the standard American route, and as a remedy, they have suggested

that the same rates be published for application by all routes. It is their contention that the old method results in a lower rate via the Canadian line than is required to meet competition. Since shippers have objected to the Trunk Line's suggestion, the American lines are now considering the publication of the reduced competitive rates for application via the Canadian lines with the usual arbitraries added for application by the American lines.

Since this compromise still is not satisfactory to shippers and in all probability would not restore traffic to the rail routes, the situation will be further aired at a meeting of the Eastern Traffic Executives' Association at New York in October. In the meantime the Association's Traffic Department is sounding out shippers throughout the state in order to determine their attitude.

NIRA AND THE MOTOR TRUCK. Since the very caption of the Act, National Industrial Recovery Act, indicated its strict application to industry, there were few people, a few months ago, who could have been convinced that it would ultimately be applicable to retail stores, stock brokers, and especially to motor truck operators. This has come to pass, for on August 14 as an appendix to our bulletin No. 296, a copy of a tentative code of fair competition for the motor truck industry as formulated by the Truck Owners National Emergency Code Committee, later the Federated Truck Association of America, was mailed to Association members. Subsequently, in Legislative Bulletin No. 301, members were advised of certain minor changes in this code prior to submission to the Administration. Again, on September 11, a copy of another motor truck code which had been submitted to the Administration by the American Highway Freight Association, Inc., was mailed.

Since mailing the last code the NRA has been attempting to bring the two organizations together and after several conferences has been successful in merging them into a new national organization known as the American Trucking Associations, Inc., which, in turn, has prepared a general traffic code submitted to the Administration on September 23. This new code combines certain of the provisions taken from each of the other codes previously submitted, and in all probability hearings will be held before the middle of October after which the code is expected to be accepted.

Largely due to the insistence of Mr. Ford of the Association's Traffic Department, while in Washington during the formulation of the tentative truck code, it was generally agreed that industry should have the

option of choosing whether or not their trucks should be operated under the motor code or under the code applicable to their industry and that industrial operators hauling their own goods for compensation should not necessarily be included within the scope of the motor truck industry.

BOAT LINE AND WAREHOUSE SERVICE TO BE INAUGURATED IN HARTFORD. The Boat Line Warehouse Company, Inc., which has recently leased Colt's dock, No. 18 Van Dyke Avenue, and two huge warehouses located on the property between Van Dyke Avenue and the Connecticut River, has announced the inauguration of storage warehouse accommodations with rail, water and truck connections. The two warehouses are fireproof and of heavy construction, connected by a wide freight bridge, which makes it possible to move freight speedily from the dock warehouse either to freight cars or to truck approaches.

Although present facilities provide amply for unloading or loading railroad cars from the spur track into the warehouse entrances or onto as many as eighteen trucks at one time, possibilities for expansion of these facilities on the property under lease at the junction of the Park and Connecticut Rivers, are almost unlimited since there is room to quadruple existing warehousing space by erecting buildings between the siding and the dock. Engineers are already working on plans to provide sheltered facilities on 400 feet of dock front although altogether there are 600 feet of dock on the Connecticut River and 200 feet more available at the entrance of the Park River. Some of these engineering plans call for extensive covered gangways serving river boats and the nearest warehouse, and for motor truck and tractor ramps leading to the dock. Barges may now unload at the Boat Line dock, and dredging is in process to permit the docking of boats of Connecticut river and lake draft.

The warehouse company, owned by interests connected with the Starin-New Haven line which operates boats between New Haven and New York, will be operated in conjunction with the newly formed Starin-Hartford Line, with offices in the same building, which will inaugurate within sixty to ninety days a freight service by water between Hartford and New York. Until the complete water service is inaugurated the office of that organization will furnish information on the New Haven line pick-up-and-delivery service which includes freight rates from Hartford and surrounding territories to New York by truck and boat.

Frederick A. Kirk, one-time traffic manager of the Association and district freight and passenger agent of

the New England Steamship Co., recently resigned his position as division freight agent of the New York, New Haven & Hartford Railroad to accept the position of vice-president and general manager of the Boat Line Warehouse Company. Although devoting most of his time to the development of warehouse facilities and transportation, Mr. Kirk has made known tentative plans of the company to operate a daily passenger excursion boat on the river between Hartford and Saybrook during the summer months.

Foreign Trade

TREASURY OFFICIAL ISSUES ANTI-DUMPING ORDERS. On September 19, Acting Secretary of the Treasury Acheson, issued anti-dumping orders against incandescent electric light bulbs and lamps and rubber-sole fabric-topped shoes from Japan, imports of celluloid covered thumb tacks from Germany, and saponified stearic acid from the Netherlands. Under the orders imports are not barred but the Customs Bureau is authorized to assess import duties upon these goods sufficient to raise their price to a fair competitive value with American products.

The orders were issued because it had been found by investigation that these imports were being sold at far below their fair market value and were injuring both American industry and American workmen.

RELIEF FOR FOREIGN BOND HOLDERS. The federal Securities Act of 1933 contained in Title II a provision for the organization of a Corporation of Foreign Security Holders to afford a medium through which more than 500,000 Americans holding foreign bonds may negotiate with debtor countries to bring about the resumption of interest payments or to arrange necessary compromises.

The situation has been steadily growing more difficult because remittances in some cases have been unnecessarily withheld and the market price of the bonds thus artificially depreciated, with the result that many bonds have been repurchased by the issuing governments at the sacrifice prices now prevailing, to the prejudice of the holders of the bonds. It is estimated that there are about \$7,000,000,000 worth of such bonds outstanding in the United States, of which the amount calculated to be in some form of default is in excess of \$1,500,000,000, representing \$100,000,000 a year in interest.

A cooperative movement is under way to expedite the formation of the proposed security holders corporation through petitions from each foreign bond holder to the Federal Trade Commission, the body authorized for the purpose in the Securities Act.

Holders of foreign bonds in Connecticut, both individual and corporate, who desire to cooperate in the movement may secure blank petition forms for the purpose at the Association headquarters.

LEONARD B. HOUGH NAMED TO SERVE ON FEDERATION COMMITTEE. At a meeting of the Association's Foreign Trade Committee held on September 7, Leonard B. Hough, export manager of the Collins Company, Collinsville, Connecticut, was elected to serve on the reciprocal trade study committee of the recently formed National Federation of Foreign Trade Associations. The federation started active operation on October 1.

Because of Mr. Hough's wide experience in the marketing of a large portion of his company's products, machetes, in the South American market, he is considered one of the foremost authorities in the state competent to aid in the study of South American trade agreements.

Besides the Connecticut manufacturers group, the newly formed federation includes twenty-five regional associations of similar character and eight associations in the larger cities—all banded together in one national co-ordinating foreign trade group to promote and extend American trade. The purpose of this first study is to prepare recommendations to the State Department for its use in connection with the coming reciprocal trade treaty negotiations with six South American countries with particular regard, first, to the tariff concessions that have been shown by business experience to be desirable from Latin America, second, to the bargaining concessions that can be made by the United States in return for compensatory advantages from Latin American countries, and, third, to the questions of whether the treaty negotiations should include quotas or seasonal tariffs and whether they should be conducted on an unconditional most-favored-nation basis or one that may be modified by a regional arrangement for Latin America.

In a recent statement emphasizing the practical work ahead for the newly formed foreign trade federation, James E. Bryan, chairman of the Association's Foreign Trade Committee, said in part: "The purpose of this new federation is to promote and extend American trade through the co-ordination of the efforts and activities of the various regional and technical foreign trade associations now existing or which may hereafter be formed throughout the United States. The scope of its work will also include activities designed to develop a national foreign trade consciousness and national foreign trade policies through an organized interchange of ideas and opinions between the associa-

tions of foreign trade executives. Its activities will be national and not sectional in character and its operations so conducted as to give effect to the views of its members nationally without domination by any section or locality. In obtaining these objectives the federation will initiate, through its component associations and individual members, the discussion of practical foreign trade problems."

CANADIAN INCOME TAX. Under hitherto unenforced provisions of the Canadian Income Tax Law a number of Connecticut manufacturers doing business in Canada have been asked by the Canadian Government to file returns. While the law definitely states that "any non-resident person soliciting orders or offering anything for sale in Canada through an agent or employe and when any contract or transaction may result therefrom is completed within Canada or without Canada, or partly within and partly without Canada, shall be deemed to be doing business in Canada . . .", and hence subject to the tax, the questions have arisen whether the tax is assessed on gross income or net income derived from such sales and whether it is advisable for a Connecticut manufacturer doing business in Canada, according to the above definition, who has received no request from the Canadian Government to file returns, to apply for the proper form (P-27) and if there is any penalty for not filing returns when not requested to do so.

According to the best-known treatise on the subject, income in the Canadian law means "the annual net profit or gain" and the tax may, therefore, be described as being assessed on profits derived in Canada.

It is certain that in the case of a Canadian corporation the tax payer must determine whether he is legally taxable and if he fails to make a return, he is subject to the penalty of 5% of the tax but not more than \$500. While no case is known where an American firm has been penalized for failure to make returns when not asked to do so, it may be presumed that the Canadian Government could claim that returns should be filed by American firms whether or not they have received a request to do so from the Canadian Department of National Revenue.

A further effort is being made to secure an official ruling on these questions. In their absence to date, it is suggested that members affected consult competent legal authority. A copy of the Canadian Income Tax Law with amendments to date, containing the rates for individuals, companies and corporations, is available for inspection at the Association's headquarters.

BANK TO FURNISH EXPORT CREDIT BEING FORMED. Because American banks will sel-

dom discount export documents of over ninety days as against the practice of European exporters granting credit terms as long as six months, the Association, through its Foreign Trade Committee has been working with other export organizations for some time past to create a special bank under the Edge Act, which would cooperate with the Reconstruction Finance Corporation to thaw out frozen funds and to extend long term credit so that American exporters can compete abroad.

Already the board of directors of the American Manufacturers Export Association has approved the formation of an Edge Act Bank and has authorized the president to form an organizing committee to proceed with the application for a charter and to get the necessary capital and personnel together. The organizing committee has made application to the Federal Reserve Board for the charter and is laying its plans for raising the capital for the bank, which is expected to be subscribed to by exporting firms, bankers and others interested in foreign trade.

The bank will have from \$2,000,000 to \$5,000,000 capital and under the provisions of the Edge Act, it will be privileged to issue debentures to the extent of ten times its capital. Although these debentures, which will be sold in the open market in order to give the bank more money to lend on long term credit transactions in foreign trade, are expected to be purchased entirely by the Reconstruction Finance Corporation, it is not definitely known at this time whether R. F. C. will buy ten times the amount of the capital.

As soon as the bank has been formed and its personnel engaged it will proceed with specific cases by countries, finding out, for example, how much American money is frozen in Argentina. It will then make arrangements with the Argentine Government for permission to use such frozen funds in the purchase of exportable goods from Argentina without restrictions from the Exchange Control Board, and will market these funds to importers of Argentine products in the United States or other countries, and thus, over a period of time, gradually liquidate the frozen funds through trade. In turn the bank will buy the frozen funds from exporters at fixed rates, or will make loans to exporters taking as collateral the frozen funds. In addition, the bank will be in a position to give the Argentine Government, for its own use, or the use of its importers, a credit with which to purchase American goods on terms averaging six months or more.

The financial facilities thus provided will not only take care of the frozen fund situation but will materially enhance the possibility of the American exporter selling goods in foreign markets with the posi-

tive assurance of payment. It is believed that the stimulus produced by the establishment of this Edge Act Bank, will last long enough for the United States government to work out satisfactory reciprocal trade agreements so that trade between the two countries in question, or any group of countries, will be on a firm two-way trade basis.

Further developments regarding the formation of this bank will appear in these columns.

NRA NOTES

Continued from page 11

ing to Public Works Administrator Ickes, the fault lies with cities and other governmental units because of their failure to make speed in ironing out local details of public works. The "Buy Now" campaign, waged by merchants throughout the country for some time past, and also officially inaugurated by General Johnson, has failed thus far to stimulate business as expected. Labor troubles, principally strikes, have been greatly on the increase. Such strikes have usually been brought about by reports that employers were not living up to their industry code or substitute agreement in the matter of hours and wages, or that they refuse to recognize outside unions. The State Recovery Boards, working in conjunction with the Wagner Labor Board in Washington have had considerable success thus far in settling these strikes.

In short the NIRA was a much vaunted giant, advertised as being capable of results within sixty to ninety days which in all probability cannot be accomplished in less than nine to eighteen months. Despite its shortcomings, NIRA has accomplished an integration and planning by industry such as was never thought possible a few years ago, and crystallized public opinion behind the recovery movement under the leadership of NRA. While it is to be regretted that advertised objectives have not been reached through the NRA, yet it is to be doubted whether present accomplishments could have been achieved in such a short period had it not been for the unifying influence of the national publicity campaign staged by NRA. In this tremendous task of organizing and functioning the NIRA, it is readily understandable that literally hundreds of loose ends would appear which must be eventually woven into the fabric of reconstruction before the plan entirely fulfils its mission. Plans for gathering in these loose ends, especially those which are most threatening to NIRA success, are already being worked out. They include several plans for expanding credit to increase purchasing of practically all types of goods as well as methods designed to foster a better understanding of NRA objectives.

The Consumers Advisory Board of the NRA has adopted a policy of opposition to general price fixing provisions with the exception of a limited number of "natural resource" industries where cut-throat competition has led to disaster. In these latter cases, the Advisory Board has urged that definite public responsibility for the reasonableness of the prices set be fixed upon the Code Authority, with provision for review of prices set by the NRA Administrator. The board also recommended that where codes bar selling below cost its special representatives endeavor to secure provisions to permit the public to be enlightened on what the cost is. The board is also undertaking to draw up a comprehensive plan for checking the reasonableness of price increases under codes, giving special consideration to upholding standards of quality which is a determinate in price setting.

CONNECTICUT DEVELOPMENTS. As we go to press there have been well over 400 NRA Consent Agreements approved by General Johnson, notices of these agreements having been forwarded daily as they arrived to Association members affected. The majority of Connecticut industrial and commercial establishments are now operating under PRA or NRA Consent Agreements, but despite this fact there have been nineteen strikes, particularly in the textile industry. The principal strikes occurred at Talcott Brothers Company, Talcottville; Ponemah Mills, Taftville; Assawaga Company, Dayville; Palmer Brothers, Fitchville; and the Willimantic Silk Company. Through the efforts of the State Labor Department and State Recovery Board practically all men out on strike have returned to work in the plants mentioned.

The most serious strike yet to be promulgated is that of the teamsters union which was called Sunday night, September 24, by telegram sent out by its business agent Frank E. Crowther. This strike has tied up hundreds of trucks both in the state and those passing through and has necessitated police escort. Although truck owners generally disclaimed any knowledge of demands made upon them to recognize this specific union, it is understood that labor leaders called this strike for the purpose of forcing recognition. Several meetings were held between truck owners, labor leaders and NRA officials before an agreement was reached in the early morning of September 27.

The highlight publicity event of the month was the Hartford NRA parade wherein 25,000 marchers and 25 divisions took part with an estimated 200,000 on-lookers packing the line of march eight to ten deep on both sides of the street. This was considered the largest parade ever held in Hartford.

SERVICES AT YOUR DOOR

An alphabetical list of accessible services recommended to Connecticut Industry readers

**HADFIELD, ROTHWELL,
SOULE & COATES**
Certified Public Accountants
Hartford Stamford

HENRY KNUST
Certified Public Accountant
Conn. and N. Y.
15 Lewis Street Hartford

Scovell, Wellington & Company
ACCOUNTANTS AND AUDITORS
First National Bank Bldg.
New Haven
Offices in Principal Cities

*Rates for this space
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COAL
T. A. D. JONES & CO., INC.
*24 hour service to Connecticut
Industries*
New Haven — Bridgeport

ENGINEERS—MANAGEMENT
Scovell, Wellington & Company
First National Bank Bldg.
New Haven
Offices in Principal Cities

ENGINES & MOTORS
**WOLVERINE MOTOR
WORKS, INC.**
Diesel Electric Sets
6 Union Ave. Bridgeport

ENGRAVERS
DOWD, WYLLIE & OLSON
*Advertising Art &
Photo Engraving*
106 Ann St. Hartford

FENCING
THE JOHN P. SMITH CO.
*Distributors for Page fence.
Manufacturers of Wire Cloth.*
497 State St. New Haven

List Your Services Here

...Query

Readers desiring to purchase merchandise or services not listed here will be given the names of reliable firms upon inquiry to this department.

...Listing

Copy for listing in this department must be received by the 15th of the month for publication in the succeeding month's issue. We reserve the right to refuse any listing.

HEAT REGULATORS—
**Minneapolis-Honeywell Heat
Regulator Co., Inc.**
A regulator for every need
740 Capitol Ave. Hartford

HEAT TREATING
The Stanley P. Rockwell
Company
Heat Treating & Equipment
296 Homestead Ave. Hartford

INSURANCE
**AMERICAN MUTUAL
LIABILITY INS. CO.**
Workmen's Compensation Ins.
Boston - Bridgeport - Hartford

LEONARD'S GUIDE
Freight, Express and Parcel Post
Rates and Routing
The most complete, accurate, and
simple guide published
15 East 26th St. New York

MILL SUPPLIES
THOMAS TRANT & BRO.
*Jobbers—Plumbing, Gas Heating,
Water Supplies and Specialists
in Mill Supplies*
228-232 State St. Hartford

PRINTERS
**THE CASE, LOCKWOOD &
BRAINARD CO.**
Printers and Binders
Trumbull St., Hartford

RECORDING INSTRUMENTS
THE BRISTOL COMPANY
*Recording and Controlling
Instruments*
Waterbury - Connecticut

TRANSPORTATION
**AMERICAN-HAWAIIAN
STEAMSHIP CO.**
Coast-to-Coast Freight Service
New York — Boston

**DOLLAR STEAMSHIP LINES,
INC., LTD.**
*Inter-coastal—Far-East and
Mediterranean freight steamer
Service*
New York Boston

*Ask about rates for one or
more of these spaces.*

HOW'S BUSINESS

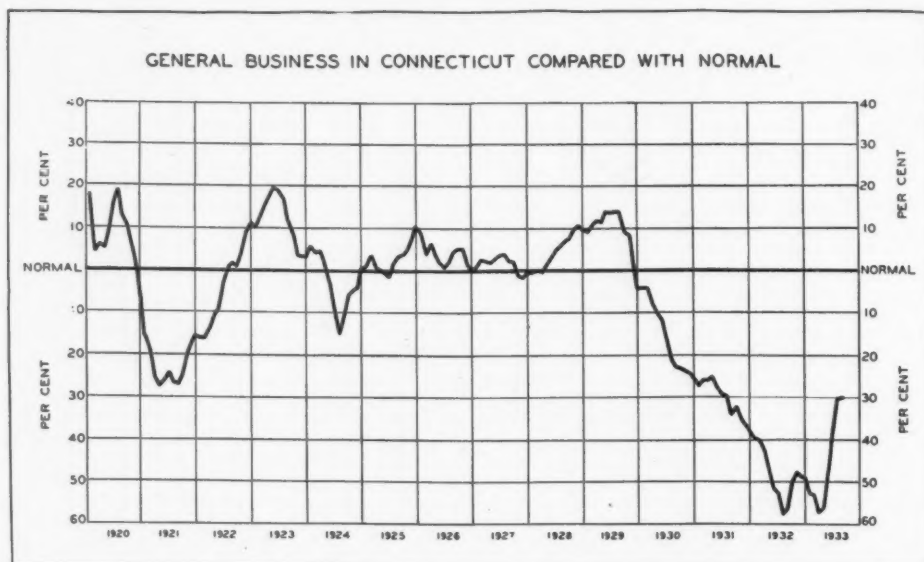
H. R. MICK

General Summary

Although general business in Connecticut in August when compared with July experienced some decrease in activity in several fields of industry, the net effect for all industry combined was a slight increase for the month in excess of the normal seasonal gain. As a result the Connecticut business index stood at 29.8% below normal compared with 30.1% below in July. Manufacturing activity, with the exception of cotton

average basis were higher than in August, and man-hours worked in one city showed a satisfactory increase over the preceding month.

In the United States, business activity in August declined sharply from July due to abrupt decreases in steel ingot production, cotton consumption, automobile production and freight car-loadings. Electric power production and pig-iron production were only slightly lower than a month earlier. The decline in steel ingot



goods, advanced further, the index of man-hours worked increasing slightly more than seasonally and the employment index increasing substantially. Activity in the cotton textile industry moved somewhat lower but remained well above the estimated normal. Freight car-loadings originating in Connecticut cities decreased rather sharply in spite of the increase in industrial operations. Metal tonnage carried by the New Haven Road also declined as did bank debits to individual accounts. Information received for the first ten days of September indicated that business activity was expanding seasonally. Freight car-loadings on a daily

production brought output well in line with new orders which, seasonally adjusted, were close to the July level. Automobile production was probably below consumption since preliminary reports indicated that August sales to consumers adjusted for seasonal variation, rose substantially, a condition which has continued into September.

The index of wholesale prices, according to The Annalist, moved horizontally during August and early September. On September 12, the index of all commodities was 1% higher than four weeks earlier. Fuels, due to a substantial increase in the price of

petroleum and petroleum products, rose 11% during the interval. Food products advanced 1%, farm products declined 1% and no significant change occurred in the prices of textiles, metals, building materials, chemicals and miscellaneous products. Retail prices, on the other hand, advanced substantially. The Fairchild index of the price level of goods sold by department stores rose 8% in August over July, one of the largest monthly increases ever experienced. Food prices also rose in August compared with July and on August 29 were 1% higher in Connecticut than on August 15 and some 7% higher than a year earlier.

Financial

During the four weeks ended September 9, the number of new corporations formed in Connecticut declined 13% compared with the corresponding period a year ago. Business failures were 16% more numerous than last year during the same period but net liabilities of failures increased only 2%. Activity in the real estate market underwent less than the usual seasonal contraction and was relatively close to the level of 1932.

Construction

Activity in the construction industry again showed considerable improvement in August compared with both the preceding month and the same month a year ago. The value of building permits issued, even excluding one permit for an abnormally large amount, was well above last year.

In the United States, the total value of building contracts awarded advanced sharply over July. Corrected for seasonal variation, the average daily value of contracts awarded for public work and utility projects increased 81% over a month previous; other non-residential building rose 24% but residential building declined 15%. The net increase for all groups was 24%.

Labor and Industry

Further increases took place in manufacturing activity in Connecticut during August although the gain, particularly in the case of man-hours, was markedly less than in the immediately preceding months. The number of man-hours worked rose more than seasonally and stood at 34.2% below normal compared with 35.2% below in July. Increases occurred in all cities for which data were available, the largest increase occurring in Bristol where man-hours worked were

the largest since October 1930. Compared with last year, all cities reported substantial advances. The index of employment in factories in two cities rose seven points, the sharpest monthly increase that has occurred this year. This was probably due in large part to the adherence of manufacturers to the terms of codes under the National Industrial Recovery Act. Industrial employment in seven cities increased from 71,365 employees in July to 78,129 in August, an increase of almost 10%.

Employment in factories in the country as a whole also increased in August. Compared with the average increase of 0.2% in employment between July and August during the past ten years, employment this year rose 6.5%. Payroll totals rose 11.6% compared with July whereas the average increase during the ten year period was only 1.5%.

Trade

During August, the dollar value of retail sales of department stores in the United States, on the basis of 1923-1925 equalling 100, stood at 75 compared with 71 in July and 68 in June. However, it is doubtful if the physical volume of goods showed much increase as the price level was considerably above the July level.

Transportation

The index of freight car-loadings originating in 14 Connecticut cities during August declined to 29.7% below normal against 26.4% below in July. Loadings of automobiles, building materials and merchandise in less-than-carload lots decreased contrary to the usual seasonal trend and loadings of bituminous coal increased less than seasonally.

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— Service Section —

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●●Materials for Sale

COLD rolled steel in coils and in squares, condulets and fittings, remnants of covering materials—velours, velvets, mohair, tapestries, denims, chintzes, and cretonnes, semi-finished and castellated U. S. S. nuts, pulleys, flat and crown face-steel and cast-iron; new shaft hangers, brass wire, brass rods, aluminum tubing, cold drawn steel—mostly hex; miscellaneous lot of material used in the manufacture of molded rubber parts and flooring, knife switches—new and many sizes; carload C. I. drop bases, No. 1025 steel in sizes 4' x 2' and 6' x 2'; lead pipe, lead sheet, acid proof pipe fittings, 124 bars screw stock varying thicknesses and lengths, white absorbent tissue process from cotton, rotary convertor, colors and dyes—large variety, lacquers—several hundred gallons in assorted colors; and soft anneal copper with high silver content in rolls. J. H. Williams wrenches in assorted sizes.

●●Equipment for Sale

ACCUMULATORS, annunciators, baskets, beaders, beamers, bearings, belt stretchers, blowers, boilers, braiders, bronze runners, cans, cards, woolen; car loaders, chain, chairs, champfer, clocks, time recorders; clock systems, colors and dyes, compressors, condulets, convertors, conveyors, cookers, cooking utensils, doublers, draftsman's table, drop hammers, drops, board; drums, drying racks, dyes, engines, evaporators, extractors or percolators, fans, filtering carbon, folders, forming rolls, frames, furnaces, gears, generators, grinders, grindstones. Grinding wheels, guiders, beaders, lamp shades, lathes, lifters, looms, De Laski circular; machines, automatic; machines, calculating; machines, compressing; machines, dieing; machines, drilling; machines, filing; machines, filling; machines, folding; machines, knitting; machines, mercerizing; machines, milling; machines, pipe-cutting and threading; machines, pleating down; machines, riveting; machines, screw; machines, threading; machines, tongue and groove; machines, washing; mercerizer equipment; millers, mixers, mills, mills rubber; mixing rolls, motors, oil circuits; oven drawers, paints and lacquers; panels, planers, plungers, pointers, presses, profilers, pulley drives, pumps, reamers, receivers, rheostats, safe cabinets, saws, scales, screens, seamers, shapers, shears, spindles, spinning mules, steam tables, steam warmers, stitcher, 192 monitor corner box switches, tables, tanks, toilet equipment, trucks, ash can; tube closers; wire, wire screw and yarders. MAKE US AN OFFER: Deane Steam Pump $3\frac{1}{2}$ x 18", Horizontal Duplex Double Plunger Type, 50 R. P. M., 129 gallons per minute; Southwark 1,200 ton Hydraulic Forging Press 1,150 net tons capacity, 2,500 lbs. pressure, stroke 2' 6", diameter of ram 2' 11 $\frac{1}{2}$ ", space between uprights 3' 11 $\frac{1}{2}$ " x 2' 11 $\frac{1}{2}$ "; Dings Magnetic Separator, Type MB, Serial No. 1,696, with attached generator; 2—No. 3 James Ore Concentrator Company's Sand Tables, fitted with Simplex Vibrator Head and Tables 4' x 16'. Seymour Mfg. Co., Seymour, Conn.

●●For Sale or Rent

FOR SALE. Small plant in St. Johns, Quebec, Canada, with two main buildings of 4,680 square feet and 7,178 square feet respectively, and five other smaller buildings with a total floor space of 13,451 square feet. The plant is conveniently situated on a siding of the Canadian National Railway with tracks of the Canadian Pacific on the opposite side of the plant, but with no siding. Real estate holding is 6 $\frac{1}{2}$ acres. Plant now owned by Connecticut manufacturer. For further details, Address S. E. 70.

Call or write for many other listings for sale, rent or lease in Connecticut. If our listings do not meet your requirements a thorough search will be made. Address Service Section, *Connecticut Industry*.

FOR SALE: One #183 Double End Automatic Facing, Chamfering and Burring Machine, Single Pulley drive, manufactured by Grant Manufacturing and Machine Co. of Bridgeport, Connecticut. Manufacturers' No. L-58. Address S. E. 64.

FOR SALE: 1 Burroughs-Moon-Hopkins Billing Machine No. 7202-795298 with stand. 1 Burroughs Inventory Machine No. 7200-1305531 with stand. 1 Burroughs Bookkeeping Machine No. 6-321849. 1 Lightning Coin Changer No. 10306. All in good condition. Inquire Wilcox, Crittenden & Co., Inc., Middletown.

●●Wanted to Buy

WANTED TO BUY. Three used Manville No. 00 Single Stroke—Solid Die Ball Headers. Write giving details and price to S. E. 69.

WANTED TO BUY. 2 Three Slide Machines, 1 Spring Coiler, 1 Knotter, and 1 Helical Machine. Address details and prices to Charles Walzer, The Waterbury Mattress Company, Waterbury, Connecticut.

●●Employment

ASSISTANT TO BUSY EXECUTIVE. Seventeen years of experience with three Connecticut firms as follows: Hardware, 6 years as department foreman, production manager, factory manager; Automotive Webbing, 7 years as commission salesman, assistant division manager, Chicago branch manager; Electrical Specialty, 4 years as salesman, assistant sales manager, assistant general manager. Inherent qualities, training and experience indicate greatest usefulness in work mentioned above. Starting salary not an important consideration. Address P. W. 234.

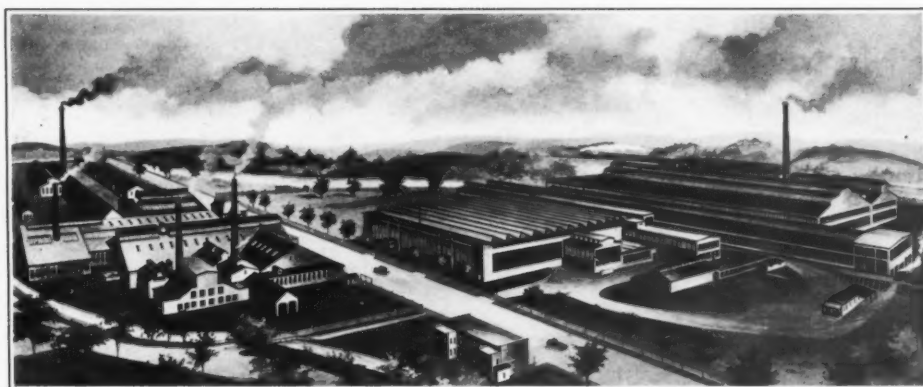
CHEMIST, B.S., M.S. A man with four years' research experience, two years in the research laboratory of a world known engineering concern, would like to handle the chemical work of a progressive New England manufacturer preferably where there is an opportunity for development and research work worthy of his experience and ability. Publications and references or arrangement for interview by addressing P. W. 235.

RECENT COLLEGE GRADUATE. Aged 24 with B.S. degree in industrial engineering desires position with manufacturing concern at any liveable salary where opportunity exists to learn the business and work up to an executive position if merit warrants. Address P. W. 236.

BRANCH OFFICE EXECUTIVE. Twenty years' experience with two large Connecticut manufacturers. Sales, credits, collections, shipping, etc. Age 42, married, two children. Clear record with best of references as to ability, initiative and integrity. Familiar with brass products and automotive parts. Seeks connection with manufacturer having interests and merchandising such lines in the south. Address P. W. 237.

YOUNG ACCOUNTANT. Graduate of Drexel Institute 5 year course with B.S.C. degree, who has had considerable practical experience in manufacturing and public accounting work, ranking now almost as a senior accountant, desires a position either as a cost accountant or one with a public accounting firm. Applicant has excellent background and references. Now preparing for C.P.A. exams. Address P. W. 238.

RECENT COLLEGE GRADUATE. Age 23, with B.S. degree in economics, desires a position with manufacturing concern at a livable salary in any capacity where opportunity for advancement exists. Address P. W. 239.



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